

## Scope of Work and Project Schedule

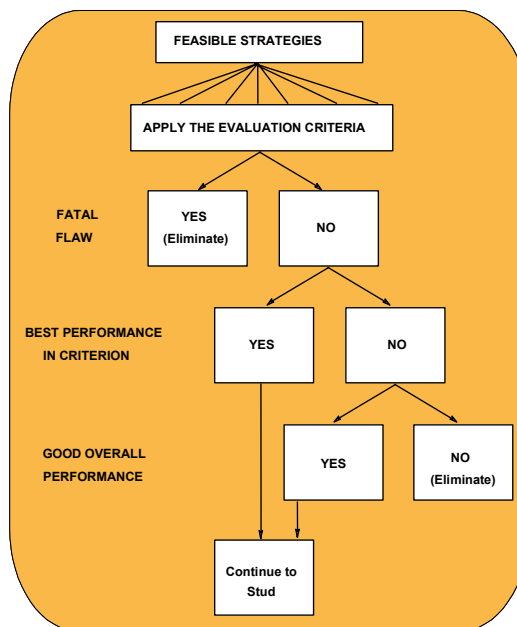
### Development of Work Plan

The entire WSA team will work with the WSDOT Project Manager to reconfirm the purpose and assumptions initiating the study. An initial “partnering session” with the team members, WSDOT staff assigned and legislative staff is also suggested to discuss how inevitable problem issues that may arise from unforeseen changes or circumstances will be resolved.

The Work Plan will be shared with the Steering Committee at the initial kick-off to get their feed back and comments. The work plan will also be shared with the Project Advisory Board at the initial Forum. The Department will take the lead in developing the composition of the Steering Committee as well as the Advisory Board, and in coordinating with these two bodies.

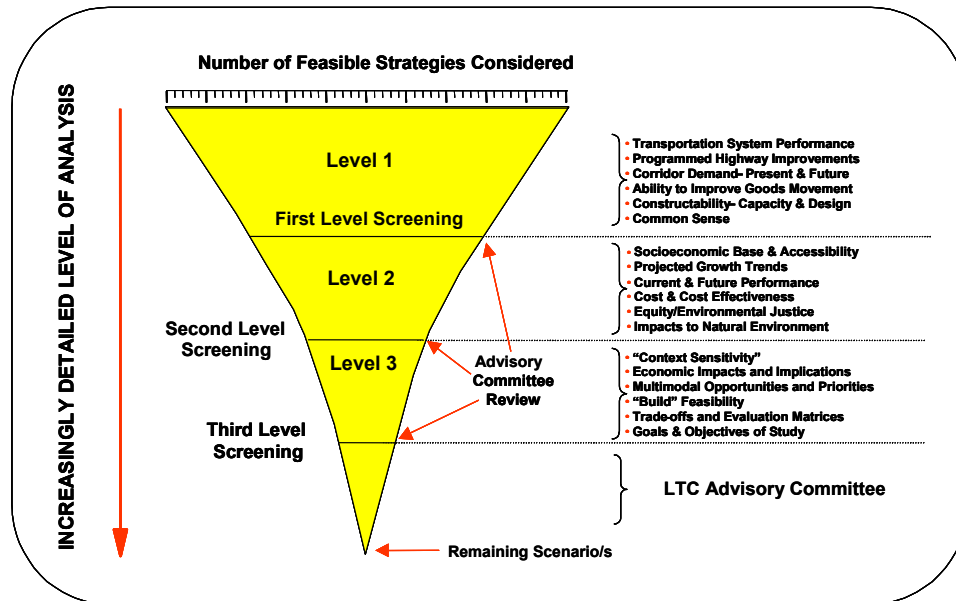
**Task 1: Develop An Evaluation Approach And A Definition Of Feasibility** - This task is the critical first step toward defining the overall framework for the study. In other words, what will be evaluated, and by what measures will it (the concept) be determined as feasible. While it is premature for this proposal to define the concept or its feasibility, this WSA Team proposal puts forward the fact that this is a process we have perfected. WSA has developed a decision tree screening process for other corridors which will be modified and applied to this “Commerce Corridor.”

**Exhibit 1**  
**Sample Corridor Feasibility Decision Tree**



To make assessment more manageable it is suggested that a three-step “screening process” be followed. As depicted in the following chart, the idea is to evaluate alternative scenarios using a consistent and uniform set of criteria, eliminating some on this basis (with review and approval of the Advisory Committee) and carry on those remaining using more detailed criteria.

**Exhibit 2**  
**Funnel Illustration of Feasibility Screening Process**



The key for this first task is for the WSA Team to work with the steering committee to define the variables that will go into the screening process. The variables are what provide the definitional framework for what the concept is and the measures by which its feasibility is determined. It is clear from the intent of the RFQ that one of the main tests of feasibility will be the desire by private interests to participate in the “development, financing, design, construction and operation” of the ultimate facility. Defining a general concept must depend upon the selection of the eventual uses in the corridor, which in turn is contingent upon “bankable” demand.

Elements of feasibility will include, at a minimum, buildability; potential use; ability to finance; legal constraints; and private sector interest.

**Task 2. Develop A Definition Of Project Features** - As stated earlier, it is premature for this proposal to outline a development concept. However to illustrate the full spectrum of features that will need to be considered, the following is a straw concept. An initial driving force for this corridor may be the emerging and increasing need to provide a safe pipeline corridor outside of the populated areas of Western Washington. A private pipeline “partner” might provide both a political and financial catalyst for initial corridor development. The movement of rail freight and other utility development would seem to be a logical next step with the addition of vehicle freight and passenger capability later in corridor development. One constraint however, could be that the transportation uses of such a corridor are more difficult to accommodate than are utility uses. Railroad ROW requires a “flatter and straighter” corridor than does a highway or pipeline. Considerations like this may affect the mix and implementation order of corridor development.

The order of effort will be to determine what need and interest exists for this corridor, what incremental development seems to make the most sense and over what timeline and at what cost, then to discern if private interest is strong enough to participate in its construction and

operation. Lastly, we suggest that once a scenario, timeline and cost have been defined that possible private sector construction participants be canvassed for their reaction and suggestions. This could be done in two ways. Because of our team member's extensive involvement with projects similar to the Commerce Corridor in other parts of the nation, the WSA team could seek the reaction of consortiums that are presently pursuing those corridors. A second option would be for WSDOT to formally advertise to a more comprehensive and formal reaction of interest in the corridor. These reactions will be utilized as inputs to evaluate corridor feasibility.

To actually define corridor "features" we suggest a series of meetings with potential corridor users/developers/investors to identify their critical path decision factors. These one-day meetings will be held with pipeline, power transmission users (including other utilities), rail and highway (trucking) to solicit their needs. The pipeline interests will be coordinated with the Discovery Institute. In fact, given that the pipeline issue is a key contributing factor, we will have a meeting with this sector first (in conjunction with the Discovery Institute) as a model for meetings with the other sectors/interests. From this our team will identify a broad corridor for development and apply criteria homogenized for all the potential users as to grade, width, alignment, etc. WSA's present work with the I-81 Truck Corridor and the Trans-Texas Corridor will bring those current corridor definitions to the analysis.

This task will include a review of previous corridor development proposals and studies in the Commerce Corridor vicinity and corridor concepts being pursued elsewhere in the country (such as the Alameda Corridor and Cross Texas Corridors) that might help define development concepts. In addition, this task will also include, at a minimum:

- (a) Potential alignments;
- (b) Estimate of the right of way requirements;
- (c) Estimate of operating standards. In order to arrive at an estimate of operating standards, private companies and other stakeholders must be consulted to recommend level of service standards and other requirements for the construction and operation of the facility;
- (d) Potential traffic projections;
- (e) Potential environmental impacts including changes in land use; and
- (f) Potential economic benefits and impacts;

**Task 3. Develop Preliminary Financial Information** - Clearly, the State does not have the financial resources to fully develop this corridor. Hence the requisite analysis of EVERY potential approach toward financing this project, specifically innovative ways in "packaging" the financing AND any possible revenue stream that could be captured to service the "financial package". WSA, HNTB and UBS will all be involved in bringing together data to estimate project costs (HNTB), corridor usage, revenue for a potential corridor (WSA) as well as the financial packaging (UBS). In addition to air right and facility leases, development rights, commercial leases and more traditional revenue generating techniques, we will also examine the potential of innovative financing techniques including, but not limited to; cash management, GARVEE, property benefit assessments, tax increment financing, developer mitigation fees, "shadow tolls", local assessment bonds, section 129 loans, TIFIA, applicability of concessions, IRS 63-20 financing, etc. and how all of these sources could leverage the total corridor.

A key factor in feasibility is the ability to finance the development of the corridor, which depends on development costs, potential usage, and revenue options. This task will include, at a minimum:



- 1) Estimated cost ranges to develop, construct, and operate the corridor;
- 2) Estimate of revenues that could be derived from tolls on the corridor;
- 3) Estimate of revenues that could be derived from other sources including, but not limited to:
  - a) Air space leases for commercial developments;
  - b) Facilities leases;
  - c) Development rights;
  - d) Leases of right of way for commercial purposes;
  - e) Other revenue-generating ideas; and
  - f) Eligibility of the corridor for federal and state sources of funding.
- 4) Potential sources of revenues that could be leveraged to provide funds for developing, constructing, and operating the corridor.

**Task 4. Examine The Legal And Statutory Provisions** - Another element of feasibility is the ability of the State of Washington to enter into agreements with a private sector consortium to develop the corridor. Current state and federal laws may need to be changed, and other legal issues identified. These issues include but are not limited to:

- a) A discussion of the terms and conditions of agreements necessary to implement the proposal with a private company; and
- b) Agreement provisions that may be required in order for the private companies to finance, construct, and operate the corridor.

Some of the critical issues and challenges in the legal area include; adoption of new procurement methods, including the inclusion of private partners early in the process, early cost and schedule certainty, encouraging flexibility and innovation, promoting competition, leveraging public participation and financing, compliant but streamlined environmental processes, and the eligibility of innovative financing techniques.

The WSA team will work directly with the legal firm that the State of Washington has under contract to provide the needed advice. In coordination with the WSDOT project manager, WSA will work with contracted legal firm to outline the legal and statutory barriers that stand in the way of a commercial approach toward developing the corridor. Some of the statutory modifications that will be considered include (but are not limited to) authorization to; combine modal elements and proposals, utilize innovative procurement processes, provide flexibility in bonding requirements, allow for multiple forms of contracting arrangements, allow for new types of user tolls, fares, and other revenue-raising measures, provide for early private involvement in the process, and lastly limit risk. The provisions will likely need to define the framework for the Public/Private Partnership such as overall policy and procedures for selecting the successful bidder, reviewing and scoring system, advertisement preparation, review of submittals, solicited and unsolicited, and performance measures.

**Task 5. Identify Potential Environmental Issues** - This task combines two initiatives. One is a broad brush overview and outline of potential environmental “fatal flaws” for the project. Since no specific alignment will be defined, an overview of the broad corridor will focus on special and sensitive areas to avoid and estimate the cost of potential mitigation. The second is to suggest innovative processes that fully comply and yet combine the environmental procedures and requirements for corridor review.

This task will include:

- a) Initial assessment of known environmental impacts for potential alignments identified, and an examination of permitting requirements for such a corridor; and
- b) Assessment and recommendations for an efficient approach to environmental permitting.

**Task 6. Identification of the potential community issues that might be raised and strategies for addressing any potential concerns** - Potential community impacts and benefits will be identified, including an assessment of how such a corridor fits with local community growth management plans. The WSA team recognizes that development of this corridor will likely fall outside the growth boundaries adopted by jurisdictions, and that creates special considerations, especially when evaluating access to the corridor and the effect of those access nodes. Based on information released by the Department at the Pre-Bid meeting, it is understood that this initial study will not need an extensive public involvement process. However, due to the community impact sensitivities towards growth along the overall corridor, we propose Advisory Board forums to educate selected interests about the economics of a commerce corridor.

**Task 7. Develop Draft Report** - The consultant shall prepare an executive summary style draft report summarizing the results of the feasibility study and making preliminary recommendations as to the feasibility of the Washington Commerce Corridor. The Consultant shall provide this report for the review of the LTC Work Group and the Project Advisory Committee. This task requires that when the analysis is complete, that recommendations and products proceed through a review by the Steering Committee/Advisory Committee prior to completion of a final report. An iteration of work might be expected to follow. WSA however, intends to continually communicate with the Advisory Committee during the progress of the project so that no surprises or long pauses happen at this stage of the project. Another facet of this task is that the team realizes that recommendations are not public or official until adopted by the full Committee for inclusion in the final report.

**Task 8. Develop Final Report** - The WSA team agrees that preparation of the final report may require the incorporation of changes from Task 7 and that this also requires preparation of presentation materials for the legislature and other interested parties. The team will make available all team members and firms for these presentations as needed.

## **Project Schedule**

The following exhibit outlines the schedule for the completion of the various tasks and deliverables, as well as the timing of the various coordinating meetings with the Steering Committee and the Advisory Board.

**Exhibit 3**  
**Project Schedule and Deliverables**

